



Company	Bega Cheese Ltd
Code	BGA
Meeting	EGM
Date	5 January 2018
Venue	Bega Valley Commemorative Civic Centre, Zingel Place, Bega, NSW
Monitor	Elton Ivers

Number attendees at meeting	17 shareholders plus 7 visitors
Number of holdings represented by ASA	38
Value of proxies	\$2.08 mill
Number of shares represented by ASA	287,524
Market capitalisation	\$1,303 mill
Were proxies voted?	Yes, on a poll
Pre AGM Meeting?	No, emailed questions and issues to Company Secretary

Approval overlooked as BegaCheese focused on growth & issues with competitors

I was informed before the meeting that the ASA questions and issues sent before the EGM had been considered and would be addressed. They consisted of concern if voting is 'by show of hands', opposed to any capital raising only for institutional investors, and check if BegaCheese has a significant investment opportunity under consideration.

ASA asked the Chairman if any further capital raising in the 12 month period would only be for institutional investors. Mr Irvin responded that BegaCheese management cannot make any commitment and such decisions will be assessed at the time of considering any capital raising. It should be noted that BegaCheese has offered shareholders the opportunity to participate in previous capital raisings. I reiterated that ASA is opposed to selective institutional placements (except in exceptional circumstances) as it does not respect existing shareholders proportionate stake in the company. Mr Irvin indicated that management is very aware of its origins and support from its shareholders.

Another shareholder asked the reason for the recent purchase of the Peanut Company of Australia. Mr Irvin stated the purchase was to provide product supply chain from farm to customer and control along the supply chain, as customers today are very concerned where their food comes from.

A shareholder asked if BegaCheese still has any interest in the Murray Goulburn Coop sale to Saputo Dairy. Mr Irvin reported that BegaCheese would be interested in any Murray Goulburn assets that may come onto the market, as well as other food business opportunities.

The ASA proxy votes consisted of votes For (3%), votes Against (3.4%) and the majority being votes Open. Based on the responses received to ASA's concern with any institutional-only placement, I cast the ASA proxy Open votes to be For the resolution.

Total valid proxy votes received were 6% of issued capital; any shareholder or their associates who participated in the June 2017 Institutional Placement were ineligible to vote on the motion. The final result of the EGM motion was 99% For.

The meeting was closed and while the poll votes were being counted by Link Market Services (approximately 15 minutes), the Chairman invited shareholders to ask any other questions about BegaCheese matters.

A shareholder asked for an explanation of the report yesterday that Fonterra was suing BegaCheese over its sole marketing and distribution agreements of the Bega brand in Australia after BegaCheese's acquisition of Mondelez Aust and its rebranding and marketing of some Kraft dairy products. BegaCheese are not happy with the Fonterra approach and believe they have not infringed their agreements with Fonterra.

I asked why this EGM's resolution was not included in last year's AGM as is usually the approach by companies. Mr Irvin said honestly, the Board and its advisers overlooked the issue and it was realised at the end of the AGM.

Another shareholder asked the status with the Kraft dispute over the use of its peanut butter packaging design with the acquisition of the Mondelez Aust grocery business. Mr Irvin indicated that BegaCheese believe they have legally acquired the packaging design, and he will be attending a mediation session in New York next week.